REQUEST FOR TRANSCRIPT.

Filed June 5, 1935.

IN THE DISTRICT COURT OF THE UNITED STATES FOR THE SOUTHERN DISTRICT OF TEXAS, BROWNSVILLE DIVISION.

IN THE MATTER OF:

CAMERON COUNTY WATER IMPROVEMENT DISTRICT NUMBER ONE.

BKCY. No. 520.

To the Honorable L. C. Masterson, Clerk of said Court:

Now comes Cameron County Water Improvement District No. One, Appellant in the above numbered and styled cause and requests the Clerk to prepare a Transcript for appeal and place in said Transcript the following:

1. Applicant's Second Amended Original Petition.
2. Contestant's Motion to Dismiss and Contest the same.
3. Judgment of the Court.
4. Opinion of the Court.
5. Motion for New Trial.
6. Petition for Appeal.
7. Assignments of Error.
8. Order allowing Appeal.
9. Appeal Bond.
10. Waiver of Notice of Citation of Appeal.
11. Final Certificate.

Cameron County Water Improvement District No. One prays that the above be included in said Transcript and files this its request in duplicate.

CAMERON COUNTY WATER
IMPROVEMENT DISTRICT
NUMBER ONE,
By W. B. LEWIS,
Attorney for Appellant.

CONTESTANTS' REQUEST FOR ADDITIONAL PARTS OF THE RECORD TO BE INCLUDED IN TRANSCRIPT.

Filed June 11, 1935.

Houston, June 8, 1935.

G-10298.

Re: Cameron County Water Improvement District No. One—Bankruptcy No. 520.

Mr. F. A. Hinojosa, Clerk,
United States District Court,
Brownsville, Texas.

Dear Sir:

Supplementing Mr. W. B. Lewis' letter to you of June 1, 1935, we request that in addition to the documents requested by Mr. Lewis you kindly include the following in the transcript being prepared in the above styled matter:

(1) First Amended Petition of Applicants.

(2) Order of Court dated August 22, 1934, approving filing of above mentioned petition.

(3) Contestants' application to intervene and order granting contestants leave to intervene dated October 5, 1934.

We are making this request in behalf of all of the contestants.

Thanking you for your courtesy, we remain

Very truly yours,

BAKER, BOTTS, ANDREWS & WHARTON.

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4 CAPTION.

In the District Court of the United States for the Southern District of Texas, Brownsville Division.

In the Matter of:

Cameron County Water Improvement District Number One.

No. 520 In Bankruptcy.

BE IT REMEMBERED, that in the above entitled and numbered cause, pending in said Court, in which an Order of Dismissal was filed and entered on December 11, 1934, the Honorable Thomas M. Kennerly, Judge of the District Court of the United States for the Southern District of Texas, presiding, the following proceedings were had and taken in said Court, to-wit:

5 FIRST AMENDED PETITION.

Filed Aug. 22, 1934.

To the Honorable T. M. Kennerly, Judge of the District Court of the United States for the Southern District of Texas, Brownsville Division.

The Petition of Cameron County Water Improvement District Number One of Harlingen, Cameron County, Texas.

6 I.

Comes now Cameron County Water Improvement District Number One of Harlingen, Cameron County,

Texas, and respectfully represents to this Honorable Court that its principal place of business is in Harlingen, Cameron County, Texas, and this has been its principal place of business for the last six months next immediately preceding the filing of this Petition, and that it resides wholly within the Southern District of Texas and wholly within the Brownsville Division of said District.

Your petitioner would represent that it is a Water Improvement District which is an irrigation district, and is a municipality and a political subdivision of this State, as the same is defined by Public Bill Number 251 of the 73rd Congress, being H. R. 5950, and being approved on May 24th, 1934, at 12:20 P. M., and being in full force and effect now, and being in full force and effect since May 24th, 1934.

II.

Your petitioner would represent to this Court that it is an irrigation district and has been in operation for something like twenty years, supplying water to the farmers and aiding and encouraging agriculture; making it possible for the farmers to irrigate their land and produce fruits and vegetables; and said district has within its borders approximately 42,000 acres of land, all of which are wholly located within the boundaries of Cameron County, Texas.

III.

That about two and a half years ago the country entered into a general financial depression causing great reduction in the price which the farmers received for their fruits and vegetables; the price being placed

at such a low basis that even it did not pay the cost of production, thereby making it impossible for the farmers of said district to pay their Flat Rates and bond tax; and created a condition as described fully in Section 80, Chapter LX of said House
7 Bill Number 5950, mentioned above, and did create such a condition that this petitioner is insolvent and is unable to meet its debts as they mature, and that this District desires to effect a plan of re-adjustment of its debts as provided by Section 80 above described.

IV.

That when the condition arose as described in Paragraph III of this petition, your petitioner had outstanding bonds to the amount of approximately $800,000.00. That part of said bonds are known and described as Cameron County Irrigation District Number One Bonds, and the balance of said bonds are described as Cameron County Water Improvement District Number One Bonds, but all of said bonds are the bonds and obligations of the district; and the reason of the different names on said bonds is because the Legislature changed the name "Irrigation Districts" to "Water Improvement District," and the Irrigation District Bonds were issued before the name was changed, and the Water Improvement District Bonds afterwards.

That all of said Bonds above described bore interest at the rate of six (6%) percent and the bonds were maturing serially, which made an annual obligation against this district under the present financial conditions of the farmer, which caused this district to be unable to pay its maturing indebtedness; and brings

this district strictly within the provisions of Section 80, above described.

V.

That your petitioner realizing its inability to meet its debts, as mentioned in Paragraph IV of this petition, began to work out some kind of a plan to adjust the same, which would be fair and equitable both to the District and to the bond owners and holders of said District; and they applied to the Reconstruction Finance Corporation at Washington, D. C., for a loan to liquidate said indebtedness, and after said loan was filed with the said Reconstruction Finance Corporation they sent inspectors and appraisers from Washington, D. C., and they duly inspected said property and appraised the same, and took
8 into consideration the rights of the farmers and the District and the bond holders. They decided that a fair proposition to all concerned would be to pay the bond holders 49.8 cents upon each dollar of principal, which the Reconstruction Finance Corporation agreed to furnish and agreed to loan to the District at four (4%) percent instead of six (6%) percent; said proposition being absolutely satisfactory to Cameron County Water Improvement District Number One, your petitioner herein.

VI.

That afterwards, to-wit, on the 13th day of January, 1934, the Reconstruction Finance Corporation authorized a loan to this District for $400,000.00 for the purpose of refunding the bonds of said District at 49.8 cents on the dollar, which said authorization would enable your Petitioner to reduce its bond taxes at least two-thirds and would make the District financially sound, and after receiving said authoriza-

tion, your Petitioner mailed a letter to all known bond holders which is as follows:

9 Cameron County Water Improvement
District Number One.

Directors—H. L. Starnes, J. S. Blakeney, F. H. Green, J. W. Wade, W. P. Bush.

Officers—H. L. Starnes, Manager; F. H. Green, President; J. S. Blakeney, Vice-President; J. W. Wade, Secretary; W. H. Maupin, Assessor & Collector.

Address all Communications to the District.

Harlingen, Texas, February 9th, 1934.

Bondholders of Cameron County Water Improvement District Number One; or Cameron County Irrigation District Number One.

Gentlemen:

We are pleased to report that on the 13th day of January, 1934, the Reconstruction Finance Corporation authorized a loan of $400,000.00 to refund the bonds of the District at 49.8 cents upon each dollar of the principal, provided the bonds are sent in on this the first call. If the bonds are sent in upon the second call 47.8 cents upon each dollar of the principal All past due interest coupons must be attached but if the coupon maturing October 1st, 1933, be detached the Government will reduce the amount of the payment 49.8% of such coupons. Should any coupon maturing after October 1st, 1933, be detached, the Government will reject the bond entirely. Your prompt response will make you $20.00 per bond.

You will sign the enclosed Power-of-Attorney and send the same, together with your bonds, to the First National Bank of Harlingen, Texas, the depository of